



RECEIVED

2010 MAY -5 P 4: 33

April 29, 2010 **Via Overnight Delivery**

AZ CORP COMMISSION DOCKET CONTROL



MAY 0 3 2010

valo Olimbi Valor idalics

ORIGINAL

Pamela Genung Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007-2927

RE: Response to Staff's First Set of Data Requests to Global Crossing Telecommunications, Inc. and Global Crossing North American Networks, Inc.

Docket Nos. T-02438B-10-0124 and T-02761B-10-0124

Dear Sir/Madame:

Enclosed for filing please find the original and thirteen (13) copies of the Response to Staff's First Set of Data Requests submitted on behalf of Global Crossing Telecommunications, Inc. and Global Crossing North American Networks, Inc. This filing is submitted in connection with the above referenced docket numbers.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed, stamped envelope enclosed for this purpose.

Any questions you may have pertaining to this filing should be directed to my attention at (407) 740-3004 or rnorton@tminc.com.

Sincerely,

Robin Norton,

Consultant to Global Crossing Telecommunications, Inc.

RN/lm

cc:

R. Edward Price - Global Crossing

file:

Global Crossing - AZ

tms:

AZi1001a

Robii Norta

Arizona Corporation Commission

DOCKETED

MAY - 5 2010

DOCKETED BY

100

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

<u>PJG1-1</u> Please provide a list of states in which GC NAN is currently providing or is licensed to provide interexchange long distance services.

Response: GC NAN is certified, registered or otherwise authorized to provide interexchange service nationwide except Alaska. GCTI is an authorized IXC provider in all fifty states.

<u>PJG1-2</u> Please identify and explain whether GCTI has any outstanding or unresolved consumer complaints, relevant proceedings, or issues in any of the other states in which it is providing service.

Response: To the best of GCTI's knowledge, there are no outstanding or unresolved complaints, proceedings or issues in any state.

<u>PJG1-3</u> Please identify and explain whether GCTI or any of its Arizona subsidiaries has any outstanding or unresolved consumer complaints with this Commission.

Response: To the best of GCTI's knowledge, there are no outstanding or unresolved complaints, proceedings or issues in Arizona for GCTI or any affiliated company.

<u>PJG1-4</u> Please verify whether GCTI is in compliance with Commission decisions, rules and regulations, including A.A.C. R14-2-805, and filing of annual reports.

Response: To the best of GCTI's knowledge, it is in compliance with all Arizona reporting requirements including the filing of annual reports and diversification activities and plans.

<u>PJG1-5</u> Please identify where the call center(s) or service center(s) are located for customers of GC NAN and GCTI.

Response: GC NAN has no retail customers. Most customers of GCTI have individual account executives who handle all inquiries and other customer needs. GCTI's toll free telephone number is also available for customer inquiries, complaints and repair. The company also has a network operations center located at 14605 South 50th Street, Phoenix, AZ 85044.

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

<u>PJG1-6</u> If call center(s) or service center(s) are located in Arizona, as identified in PJG1-5, please identify the number of employees at each center.

Response: There are 227 employees at the company's location in Phoenix identified above.

<u>PJG1-7</u> Please indicate whether GCTI foresees any Arizona workforce layoffs of employees from GC NAN, GCTI, or any of GCTI's subsidiaries should this Application be approved by the Commission.

Response: This is simply a merger of affiliated companies, and there will be no layoffs as a result.

PJG1-8 Please indicate whether GCTI foresees any Arizona plant or facility closings from GC NAN, GCTI, or any of GCTI's subsidiaries should this Application be approved by the Commission.

Response: No Arizona plant or facility closings are contemplated as a result of the planned merger.

<u>PJG1-9</u> Please indicate the market(s) served by GCTI and GC NAN, such as residence only, business only, both residence and business, etc.

Response: GCTI provides long distance services to medium and large business customers. GC NAN does not have any retail customers.

<u>PJG1-10</u> Please indicate what effect the merger will have on GCTI's overall investment in Arizona.

Response: The merger will result in eventual cost savings relating to regulatory compliance and taxes, but there is no contemplated impact on overall investment.

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

PJG1-11 Please identify all Arizona affiliates of GCTI.

Response: Global Crossing North American Networks, Inc.

Global Crossing Local Services, Inc. (T-03658A-98-0653) Global Crossing Telemanagment, Inc. (T-03539A-98-0149)

<u>PJG1-12</u> Please identify any changes in the debt situation of GCTI and GC NAN as a result of this transaction should this Application be approved by the Commission.

Response: There will be no changes in the debt structure of GCTI as a result of the planned merger. Following the completion of the merger, GC NAN will no longer exist.

<u>PJG1-13</u> Please provide *pro forma* combined company financials, be sure to include a projected income statement and combined balance sheet.

Response: There is no business reason to create pro forma combined company financial statements and as a result none have been prepared. There is no immediate impact expected on company financial operations as a result of the planned merger.

PJG1-14 Will GCTI be providing a customer notification to the customers of GC NAN? If so, please provide a copy of the customer notification and indicate the date that it was sent or will be sent to those customers. If a customer notification will not be sent out, GCTI and GC NAN should request a waiver of this requirement pursuant to A.A.C. R14-2-1107 (A).

Response: As stated in its filing, GC NAN has no retail customers. Therefore, customer notification will not be issued. On that basis, GC NAN hereby requests a waiver of A.A.C. R-14-2-1107(A).

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

<u>PJG1-15</u> Pursuant to A.A.C. R14-2-1107 (B), please provide a copy of the legal notice published in all counties affected by this Application. Please also provide an affidavit indicating the media source used and the date that the notice was published.

Response: No residents or businesses in any county in Arizona will be affected as a result of this Application. The planned merger of GC NAN into GCTI is an internal reorganization that will have no effect on rates, terms or conditions of service to GCTI's business customers. On that basis, there are no plans to publish legal notice.

<u>PJG1-16</u> Pursuant to A.A.C. R14-2-801, et seq. (the "Affiliated Interests Rules"), GCTI is considered a Class A investor-owned utility based on its reported intrastate revenue from Arizona operations. Therefore, GCTI is required to provide information as requested under A.A.C. R14-2-803 (A).

Response: There is no plan for establishment or reorganization of a holding company as a result of the planned merger. As a Class A company, the following information is provided in compliance with R14-2-803.

1. Names and addresses of proposed officers and directors of the holding company. There are no plans to establish a new holding company. Following is a list of the current officers and directors of GCTI. These individuals can be reached at corporate headquarters at 225 Kenneth Drive, Rochester, New York 14623. No changes are contemplated as a result of the planned merger.

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

PJG1-16 (Cont'd.)

1. (Cont'd.)

List of Officers and Directors	
Name:	Title:
John A. Kritzmacher	Director
Mitchell C. Sussis	Director
Omar Altaji	Vice President
Neil Barua	Vice President
David R. Carey	President
Steven Caves	Vice President
Daniel J. Enright	Vice President
John Kiernan	Senior Vice President and Treasurer
John A. Kritzmacher	Chief Financial Officer
John Robert Mulhearn, Jr	Vice President
Michael J. Shortley, III	Vice President
Mitchell C. Sussis	Vice President and Secretary
Mark Cain	Vice President - Tax
Edward J. Tucker	Assistant Vice President-Tax
Henry Volarich	Assistant Treasurer
Kevin K. Tang	Assistant Secretary
Justin T. Parkerton	Assistant Treasurer

2. <u>Business Purposes for establishing or reorganizing the holding company.</u>

There is no plan to either establish a new holding company or to reorganize the existing holding company. The planned transaction involves simply the merger of one long distance subsidiary into another long distance subsidiary as set forth in the filing.

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

PJG1-16 (Cont'd.)

3. <u>Proposed method of financing the holding company and the resultant capital</u> structure.

No financing will be required for the proposed merger; there will be no change to the current capital structure.

- 4. Resultant effect on capital structure of the Arizona utilities. There will be no change to the current capital structure.
- 5. Organization chart of the holding company and affiliates. Please see attached organization chart (Attachment A).
- 6. Proposed method of allocating federal and state income taxes to the subsidiaries.

 The proposed merger will have no impact on the allocation of taxes to the subsidiaries.
- 7. Anticipated change in the utility's cost of service and cost of capital attributable to the reorganization.

The merger will have no immediate impact on the cost of service for Arizona operations.

- 8. <u>Description of diversification plans of affiliates of holding company.</u>
 There are no current plans to diversify in Arizona beyond the business in which GCTI is currently engaged.
- 9. Copies of relevant documents and filings with the SEC and other state and federal agencies.

As there is no plan to establish a new holding company or reorganize the existing holding company, no documents have been filed with any governing body regarding such. With respect to the merger, notifications or petitions have been or will be filed with state regulatory agencies as required. The filings are substantially similar to that filed with the Commission. Internal corporate reorganizations do not require prior approval by the FCC and therefore no filing has been made. Post transaction notifications will be submitted to the FCC and state agencies as required.

STAFF'S FIRST SET OF DATA REQUESTS TO GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 and T-02761B-10-0124

PJG1-16 (Cont'd.)

10. <u>Contemplated annual investment in affiliates.</u>
The merger will not affect investment in any Global Crossing affiliate.

11. Adequate access to capital.

Global Crossing will be able to attract capital on equally favorable terms following the merger. Adequate capital will continue to be available for construction or improvements at no greater cost than today.

ATTACHMENT A

CORPORATE ORGANIZATION CHART

Global Crossing Limited

Global Crossing North America, Inc.

ALC Communications
Corporation

Global Crossing North American Networks, Inc. Global Crossing
Telecommunications,
Inc.